Per-capita steel consumption

*194. DR M.A. M.RAMASWAMY: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that domestic per capita consumption of steel in India is lower than that of other Asian countries;

(b) if so, the reasons therefor;

(c) the steps taken by Government in this regard;

(d) whether it is also a fact that though India is the cheapest producer of HR coils in the world, but the domestic prices are the highest;

(e) if so, whether the Cold Rolled Steel Manufacturers Association of India (CORSMA) has putforth any demand to Government regarding reduction in customs duty on steel;

(f) if so, the reasons for such a demand; and

(g) the reaction of Government thereon?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) The domestic per-capita consumption of steel in India is lower than that of some Asian countries such as China, Japan, Malaysia, South Korea, Singapore and Thailand.

(b) and (c) The main reasons for lower per-capita consumption of steel in India are that in the past, there have been relatively low investment in infrastructure, lower economic and industrial growth, lower level of urbanization, lower availability of steel materials and lack of awareness.

With the growth in economy picking up, the consumption of steel has increased particularly in the last three years (2004-05, 2005-06 and 2006-07), during which the growth rates have been 10.3%, 13.9% and 11.6% (provisional) respectively. A number of supportive measures have been taken recently for increasing consumption of steel in the country which include (a) National Steel Promotion Campaign, (b) augmenting the distribution network and (c) augmentation of steel production capacity.

(d) No, Sir.

(e) and (f) CORSMA has made a demand for reduction in customs duty on import of HR Coil from 5% to 2% on the grounds that there is a shortage of HR Coil in the domestic market.

(g) The import duty on steel has progressively been brought down from about 25-30% during 2002-03 to 5% in 2006-07. A detailed review of tariff structure is done at the time of formulation of budget proposals.